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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 10/750,322 | 01/02/2004 | Timothy Joseph Johnson | CRNL110509 | 4676 |

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SHOOK, HARDY & BACON L.L.P.
Intellectual Property Department
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KANSAS CITY, MO 64108-2613

EXAMINER

NGUYEN, TRAN N

ART UNIT

PAPER NUMBER

3626

MAIL DATE

DELIVERY MODE

03/13/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary**Application No.**

10/750,322

Applicant(s)

JOHNSON, TIMOTHY JOSEPH

Examiner

Tran Nguyen

Art Unit

3626

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 08 January 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 4, 6, 7, 9-12, 15-23 and 26-38 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 4, 6, 7, 9-12, 15-23 and 26-38 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Notice to Applicant

This communication is in response to the communication filed 01/08/2008.

Pending claim(s): 1, 4, 6-7, 9-12, 15-23, 26-38. Cancelled claim(s): 2-3, 5, 8, 13-14, 24-25. New claim(s): 37-38. Amended claim(s): 1, 4, 6-7, 9-10, 12, 17-18, 21, 23, 28-29, 32, 34-36.

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 01/08/2008 has been entered.

Response to Amendment

As per the rejection of claims 1-2, 4-13, 15-24, 26-36 under 35 USC 112, second paragraph imposed in the previous Office Action, this rejection is hereby withdrawn in view of Applicant's amendment to claims 1, 12, and cancellation of claims 2, 5, 8, 13, 24.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 4, 6-7, 9-11, 37-38 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As per claim 1, this claim recites "a system" comprising "an input interface" and "a conditioning engine".

Applicant does not define "interface" or "engine". In determining the scope of the claim, Examiner relies on Microsoft Computer Dictionary, Fifth Edition, which defines "interface" as "software that enables a program to work with the user... with another program... or with the computer's hardware" (emphasis added), and "engine" as "a processor or portion of a program that determines how the program manages and manipulates data" (emphasis added).

When read in light of the specification and the level of ordinary skill in the art, Examiner, in applying the broadest and most reasonable interpretation, interprets claim 1 to envelop software *per se* embodiments. Therefore, claim 1 is directed towards nonstatutory subject matter. See MPEP 2106.01(I).

All claims dependent thereon, namely claims 4, 6-7, 9-11, 37-38, fail to remedy these deficiencies, and are therefore rejected for at least the same rationale above, and incorporated herein.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1, 4, 6-7, 9-12, 15-23, 26-38 are rejected under 35 U.S.C. 102(e) as being anticipated by Fitzgerald (20030191667).

As per claim 1, Fitzgerald teaches a system (Abstract) capable of processing (reads on "conditioning") patient claim data (reads on "clinically related billing items") (Abstract), comprising:

(a) a user interface capable of displaying (reads on "receive") a patient claim billing record for a patient encounter with a healthcare provider concerning treatment of an injury (reads on "associated with a clinical event") (Figure 4), wherein the claim data is capable of being submitted for pre-processing by trial adjudicator software (reads on "preliminary billing item") (page 3 paragraph 0025);

(b) software (reads on "a conditioning engine") (Figure 1-2) capable of:

(i) retrieving (reads on "communicating") collated claim data (reads on "receive the preliminary billing item") from the user interface (page 3 paragraph 0023);

(ii) verifying the claim for accuracy (reads on "analyzing") before (reads on "a condition precedent to") the claim is submitted for payment (reads on "transmitting the billing item to a paying party") (page 2 paragraph 0021);

(iii) verifying the claim against a plurality of rules (reads on "determine compliance therewith") (page 2 paragraph 0021), wherein the rules comprise a regulatory guideline (page 3 paragraph 0026);

(iv) after the claim is evaluated for accuracy (reads on "upon determining that the billing item complies"), clearing error codes (reads on "dismissing restrictions from elements in the system that prevent the system from configuring the conditioning engine to transmit the preliminary billing item to the paying party") (page 6 paragraph 0039) and submitting the claim for payment (page 2 paragraph 0021).

As per claim 4, Fitzgerald teaches that the system is capable of transforming data representing rules to a syntax suitable for storage (reads on "a compliance template") (Figure 3 label 317, 321). Fitzgerald further teaches using the stored rules to verify:

- (a) patient data (reads on "patient chart") (page 3 paragraph 0026);
- (b) procedures (reads on "physicians orders") (Figure 4);
- (c) CCI requirements, APGs, DRGs (reads on "diagnostic codes") (page 3 paragraph 0026).

Insofar as the remainder of the claim is concerned, the applied art need not teach these limitations in view of "at least one of".

As per claim 6, Fitzgerald teaches holding a claim (reads on “holds queue”) if the claim data is not in compliance with the rules (page 5 paragraph 0037, Figure 5).

As per claims 7, 9, Fitzgerald teaches amending the claim if necessary (reads on “while in the holds queue”) before submitting the claim for payment (page 6 paragraph 0042). Fitzgerald further teaches that upon determination of an exception condition, the system is capable of scheduling manual intervention or providing an alert (page 4 paragraph 0029). Fitzgerald further teaches extracting required claim data from the repository (reads on “automatically retrieving clinical documentation from additional data stores”) (page 6 paragraph 0044).

As per claim 10, Fitzgerald teaches a rules warehouse (reads on “a compliance database”) (Figure 2 label 74, 78, 16).

As per claim 11, Fitzgerald teaches that the system is capable of adding new rules to the rules warehouse (Figure 3).

As per the set of claim(s): 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, this set of claim is rejected for substantially the same rationale as applied to the rejection of the set of claim(s): 1, 4, 4, 6, 7, 7, 9, 10, 11, 1, 4, 4, 6, 7, 7, 9, 10, 11, respectively, and incorporated herein.

In particular, Fitzgerald teaches software capable of performing the recited functionality (Figure 1-2). See MPEP 2106.01(I).

As per claim 34, Fitzgerald teaches healthcare compliance rules mandated by regulators comprising diagnosis codes, CCI requirements, APGs, DRGs (reads on "mandatory documentation and affirming data elements") (page 3 paragraph 0026).

As per the set of claim(s): 35, 36, this set of claim is rejected for substantially the same rationale as applied to the rejection of the set of claim(s): 34, 34, respectively, and incorporated herein.

As per claim 37, Fitzgerald teaches associating a rule with an event, wherein the event specifies that new claim data is available for processing (reads on "extracting potential billable items from a clinical data store") (page 5 paragraph 0033).

As per the set of claim(s): 38, this set of claim is rejected for substantially the same rationale as applied to the rejection of the set of claim(s): 4, respectively, and incorporated herein.

Response to Arguments

Applicant's arguments filed 01/08/2008 have been fully considered but they are not persuasive.

On page 11 Applicant asserts: "It is proposed that each of independent claims 1, 8, and 15 be amended as set forth herein" (emphasis added).

On page 10 Applicant previously asserted: "claims 2, 5, 8, 13, and 24 have been cancelled" (emphasis added).

Additionally, Examiner submits that claim 15 depends on claim 35 as set forth on page 5 by Applicant, and is therefore not independent.

Additional clarification is requested.

On page 11 Applicant asserts: "Support for these claim amendments may be found in the Specification, for example, at paragraph [0018]".

Examiner submits that paragraph [0018] does not exist in the Specification as filed on 01/02/2004 in the Official file.

See MPEP 1730(II)(B)(1)(d) for information on how to access the Official file. See also the last page of this Office Action for information on how to access the PAIR system.

Additional clarification is requested.

As per claim 1, on page 12-13 Applicant argues that the applied prior art do not teach "determining whether a billing item complies with regulatory guidelines".

Examiner notes that this newly added limitation was not previously presented in claim 1.

On page 13 Applicant asserts: "the Office states that Holloway teaches physical incentives resulting from changes related to Medicare payment schedules, thus, implying that the feature of determining whether the billing item complies with regulatory guidelines is obvious in light of the present marketplace conditions".

Examiner notes that nowhere in the previous Office Action, or elsewhere in the Official file, did Examiner state this assertion with respect to claim 1. If Applicant is referring to another claim, additional clarification is requested.

Additionally, the newly added limitation "determining whether the billing item complies with regulatory guidelines" was not previously presented in claim 1.

Based on the evidence presented above, Examiner submits that the implication asserted by Applicant is not supported by the Official file record.

The remainder of Applicant's arguments on page 13-15, and page 15-16 with respect to claims 12, 23, merely rehash issues addressed above, and incorporated herein.

Therefore, Applicant's arguments with respect to claims 1, 12, 23 have been considered but are moot in view of the new ground(s) of rejection.

As per claims 19, 30, on page 17 Applicant argues that the applied art do not teach "automated search for additional clinical documentation".

Examiner notes that claim 19 recites "wherein the step of further reviewing comprises performing an automated search for additional clinical documentations".

Examiner notes that nowhere in claim 19, or parent claims 18, 17, 12, did Applicant recite how the additional clinical documentations are to be used for further reviewing, only that additional clinical documentations are searched automatically. Similar rationale applies to claim 30.

Based on the evidence presented above, Examiner submits that the applied art suggest Applicant's invention.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

Gelber (20030069760) teaches pre-adjudicating a benefits claim prior to submission for payment.

Sackler (5235507) teaches automated claim processing.

Tarter (5550734) teaches automated health insurance claims processing.

Moore (5930759) teaches a central claims processing clearinghouse for medical insurance.

Boyer (6208973) teaches a POS third-party adjudication system capable of determining patient eligibility and payment therefore, including differential payments.

Provost (6341265) teaches automated claim entry and adjudication by a technician.

Peterson (6343271) teaches pre-processing a claim to determine if the claim is eligible for automated adjudication in accordance with health insurance carrier rules.

Wood (6820059) teaches automated benefit claims processing for a non-health governmental agency.

Wood (6820058) teaches automated medical insurance claims processing.

Chapman (6879959) teaches pricing medical claims.

Patricelli (7174302) teaches authorizing payments from a flexible spending account (FSA).

Provost (7263493) teaches providing supporting documents associated with an insurance claim.

Any inquiry concerning this communication or earlier communications from Examiner should be directed to Tran N. Nguyen (Ken) whose telephone number is (571) 270-1310. The examiner can normally be reached on Monday - Friday, 9:00 am - 5:00 pm, Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, Examiner's Supervisor, Joseph Thomas can be reached on (571) 272-6776.

Art Unit: 3626

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/T. N./

Examiner, Art Unit 3626

02/24/2008

/C. Luke Gilligan/

Primary Examiner, Art Unit 3626